

CA1
YL16
-1987
B1034

Aging Canadian population

CA1
Y16
- 1987
B103

The Aging Canadian Population

Maureen Baker

Political and Social Affairs Division

September 1987



Library of
Parliament
Bibliothèque
Parlement

Research Branch

The Research Branch of the Library of Parliament works exclusively for Parliament, conducting research and providing information for Committees and Members of the Senate and the House of Commons. This service is extended without partisan bias in such forms as Reports, Background Papers and Issue Reviews. Research Officers in the Branch are also available for personal consultations in their own fields of expertise.

© Minister of Supply and Services Canada 1988


Cat. No. YM32-2-103E

ISBN 0-660-12675-3

CE DOCUMENT EST AUSSI
PUBLIÉ EN FRANÇAIS

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
DEMOGRAPHIC TRENDS	2
Dependency Ratios	3
IMPLICATIONS OF THE DEMOGRAPHIC CHANGES	5
A. The Aging Labour Force	6
B. Retirement Benefits and Pension Funds	9
C. The Changing Sex Ratio Among the Elderly	14
D. Facilities for the Elderly	18
1. Health Facilities	18
2. Housing	20
3. Consumer Trends	21
CONCLUSION	22
REFERENCES	25



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/39250809040146>



CANADA

LIBRARY OF PARLIAMENT
BIBLIOTHEQUE DU PARLEMENT

THE AGING CANADIAN POPULATION

INTRODUCTION

Over the past century, the age structure of the population has gradually changed, leading to an increase in the proportion of Canadians in the older age categories. In 1921, less than 5% of the population was 65 and older, but by 1986, this proportion had increased to nearly 11%. Government projections suggest that by 2001 it could reach 14% and by 2031 it could increase to 27%, if birthrates remain low.⁽¹⁾ In much of the writing on the aging Canadian population, this trend is viewed as a "crisis" or a "social problem" rather than a "victory over mortality and ill-health."⁽²⁾ The reason for this view relates to the assumed social and economic consequences of the changing composition of the population.

In this paper, social policy implications of the aging of the Canadian population will be analyzed and discussed. It is undeniable that knowledge of the age structure of the population is essential if we are to plan for health and social services, educational facilities and employment. First, however, it is important to understand the reasons for the projected figures and to have more information about elderly people.

-
- (1) Susan A. McDaniel, Canada's Aging Population, Butterworths, Toronto, 1986, p. 106.
- (2) Neena L. Chappell, "The Future Impact of the Changing Status of Women," in Gloria M. Gutman, (ed.), Canada's Changing Age Structure, Implications for the Future, Simon Fraser University Publications, Burnaby, B.C., 1982, p. 211.

DEMOGRAPHIC TRENDS

The major reasons for the aging of Canada's population are declining fertility rates and increased life expectancy. Since 1921, when the crude birth rate was 29.3, the rate had fallen to 14.8 births per 1,000 population in 1985.(1) We have already experienced some of the consequences of this decline; fewer births since the 1960s have led to school closures and loss of jobs for schoolteachers. The relatively larger proportion of children born in the earlier part of this century are becoming elderly and many of those born in the "baby boom" between 1945 and 1965 are approaching middle age. In fact, the median age of the population increased from 17.2 in 1851 to 26.3 in 1961, 29.5 in 1981 and 31.6 in 1986.(2) In other words, over half of the population is now over 31.6 years old.

Increased life expectancy is also enlarging the proportion of elderly in this country. Infant mortality rates have declined, as have maternal deaths and deaths among the "young old." From 1931 to 1984, the life expectancy at birth increased from 60.0 years to 72.5 for males and from 62.1 to 79.6 years for females.(3) Women's life expectancy is increasing faster than men's, an important fact to which we will return in our discussion of changing sex ratios and poverty among elderly women.

During high periods of immigration in the 1920s, the late 1940s and the 1960s, Canada received young people who produced fewer children than native-born residents. These immigrants are becoming older and immigration rates are declining, factors which, along with lower birth rates and higher life expectancies, help create an aging population.

(1) Statistics Canada, Births and Deaths, Cat. 84-204, November 1986, p. 2. W. Kalbach and W. McVey, The Demographic Basis of Canadian Society, 2nd ed., McGraw-Hill Ryerson, Toronto, 1979, p. 94, 96.

(2) McDaniel (1986), p. 46; Statistics Canada, "The Daily," Cat. 11-001, Ottawa, 9 July 1987, p. 5.

(3) Maureen Baker, Aging in Canadian Society, McGraw-Hill Ryerson, Toronto, forthcoming 1987.

The more "developed" and industrialized countries tend to have a higher proportion of older citizens than the "developing" countries. Compared to some European nations, for example, Canada's population is relatively "young." In 1981, when 9.7% of Canada's population was 65 and over, this was true of 11.4% of the U.S. population, 13.5% of France's, 14.4% of Denmark's and 16.3% of Sweden's.(1) From examining how these countries have accommodated to changes in the age structure of their populations, Canadians can see that the aging of a country's population doesn't inevitably result in economic stagnation, insufficient pension funds or intergenerational hostility.(2)

Dependency Ratios

In studying the consequences of demographic trends, "dependency ratios" are sometimes used as rough measures of societal needs for social security benefits and medical, educational or other facilities. These ratios compare the proportion of the population assumed to be financially dependent (children and the elderly) with the proportion of the population presumed to be in the labour force (those 18 to 64 years old). In fact, we know that not all 18 to 64 year olds are in the labour force (especially women), and not all those under 18 are financially dependent. Dependency ratios are usually used with other demographic and economic data, however, when setting priorities for social programs.

(1) National Council of Welfare, Sixty-Five and Older, Report on the Income of the Aged, Ottawa, February 1984, p. 19.

(2) John F. Myles, "Social Implications of Canada's Changing Age Structure," in Gutman (1982), p. 36.

While the dependency ratio for children has been declining in Canada throughout this century, that for the elderly increased from 8.8 in 1911 to 16 in 1981. If birthrates remain low, the dependency ratio for the elderly is expected to be about 52 in 2031; that is, for every 100 persons 18 to 64 there will be 52 people aged 65 and older.⁽¹⁾

When reviewing the changing Canadian dependency ratios, we have to remember that, as the ratio for the elderly rises, that for children declines. This leaves the relative size of the working-age population stable. Although the total dependency ratio (i.e. the number of children plus elderly people per 100 persons aged 18 to 64) will rise in the next century, the ratio is expected to decline for the rest of the present century. This is because the birth rate has been falling faster than the number of elderly people has been increasing. In fact, these two demographic trends will probably continue to counteract one another (if the birth rate remains low) so that the dependency ratio predicted for the year 2031 is approximately equal to that of 1971.⁽²⁾ The size of the working population is not dwindling; it will only be smaller relative to the size of the elderly population. Yet this fact is admittedly significant for future pension funds and other government social expenditures.

Significant provincial and regional differences are apparent in Canadian dependency ratios, reflecting different levels of economic development, immigration and internal migration, as well as birth rates. For example, Saskatchewan has experienced high levels of out-migration within the past 10 years and this has reduced the percentage of working-age people. Since young people searching for work often leave rural areas for larger cities, and retired people often leave large cities and farms for small towns, smaller communities usually have higher dependency ratios for

(1) Statistics Canada, Population Projections for Canada, Provinces and Territories, 1984-2006, Cat. 91-520, Ottawa, May 1985, p. 35.

(2) Ibid., p. 55.

the elderly than either farm or metropolitan areas.(1) The proportion of elderly people in the suburbs of large cities is also growing, especially in neighbourhoods developed in the 1950s. On the other hand, among native people in the Northwest Territories, birth rates remain high, while life expectancies remain low; thus the proportion of elderly there is less than 3%, compared to the 11% national average.(2)

The high cost of caring for the elderly has been the focus of much of the public debate, whereas discussions of the high cost of rearing children has seldom been voiced, either during the high fertility periods of the 1950s and 1960s or at present. While we usually think that the elderly are more expensive to care for than children, this may only seem to be so because much of the cost of rearing children lies within the family, while the cost of caring for the elderly tends to fall on the state. Clearly, the controversy is now related to the growing role of the state in the distribution of income and the expansion of the state budget.(3)

IMPLICATIONS OF THE DEMOGRAPHIC CHANGES

The social policy implications of these demographic changes are many. For example, the labour force is aging, leaving fewer advancement possibilities for those now in their 20s or 30s. The increasingly large older population may become a powerful and conservative lobby group, pressing for improved retirement benefits and pension plans. Most important, health care needs and social security benefits may expand as may the need for other facilities for the elderly. For example, lodging the elderly in institutions, widely promoted in the 1960s, may now be too costly for the increasing numbers, and patterns of consumption may change

(1) G.D. Hodge and M.A. Qadeer, Towns and Villages in Canada: The Importance of Being Unimportant, Butterworths, Toronto, 1983, p. 37.

(2) Statistics Canada (9 July 1987), p. 5.

(3) Myles (1982), p. 40, 41.

because consumers' demands vary with age. Let us look at several of these implications, beginning with the aging of the Canadian labour force.

A. The Aging Labour Force

In the 1960s, post-secondary educational facilities were expanded to meet the educational demands of the post-war baby boom children and delay their entry into the labour force. However, few planners anticipated that the proportion of 18 to 24 year-olds enrolled in post-secondary institutions would continue to rise well into the 1980s. Six percent of this age group were enrolled in post-secondary institutions in 1951, but this proportion had risen to 24% in 1984-85.⁽¹⁾ This will undoubtedly lead to a further increase in the number of highly-educated graduates looking for work at a time of high unemployment and limited job mobility.

Especially in those occupations with life-time career ladders, blocked mobility is becoming a serious problem. Those fortunate enough to find work cannot expect to be promoted when such a large number of middle-aged people occupy the higher ranking positions. Many senior employees are not expected to retire for 20 years and are unlikely to change jobs in the present economic climate. The lack of promotional possibilities for younger people is particularly acute in the public service and the universities, where job security often prevents even the less competent among permanent employees from being fired. With few chances for advancement or job permanence, many professional people are becoming disgruntled and are turning to unions for protection or calling for some system of reviewing the productivity of their older colleagues. Unions, on the other hand, must also fight against the lay-off of permanent employees, especially those with seniority.

Employers have responded to the uncertain economic situation by hiring part-time staff, contractually-limited workers or consultants, rather than permanent employees with job security and fringe benefits.

(1) Statistics Canada, Education in Canada 1985, Cat. No. 81-229, Table 19, p. 117, December 1986.

Without the security of continuing employment and future pensions, however, these employees may become more dependent on social benefits when they are between jobs and will undoubtedly receive low pensions, unless they have been able to save money to create their own private pension plans.

The trend toward early retirement is apparent in most industrialized countries, despite longer life expectancies and legal challenges to the notion of mandatory retirement. Researchers have related this trend to employment competition, which favours younger and more educated workers; increased family savings from the wages of working wives; increases in investment income through inflation; the development of private pension plans and improved public pensions.⁽¹⁾ Especially since World War II, the labour force participation rates of men 55 and over have fallen substantially. Although women of all ages have increased their participation rates in the labour force since the 1960s, the trend towards early retirement for women 55 to 64 has also been apparent since the beginning of the 1980s. Older women are, of course, less likely than older men to be employed at all; while 68.5% of men 55-64 were in the labour force in 1986, only 33.4% of women of the same age group were working.

Researchers have found that eliminating mandatory retirement in other countries has not substantially increased the number of older workers who choose to stay in the labour force.⁽²⁾ A more flexible retirement age would therefore be likely to increase the size of the labour force only marginally. It would, however, raise the standard of living and morale of those who wished to stay at work; they could also continue their pension contributions, thus assisting the accumulation of pension funds for eventual retirement.

Those who favour the abolition of mandatory retirement argue that ability and not age should determine an employee's claim to a job.

(1) P. Lynn McDonald and Richard A. Wanner, "Socioeconomic Determinants of Early Retirement in Canada," Canadian Journal on Aging, Vol. 3, No. 3, 1984, p. 105-116; John F. Myles, Old Age in the Welfare State, Little, Brown, Toronto, 1984.

(2) Neal Schmitt et al., "Comparison of Early Retirees and Non-Retirees," Personnel Psychology, Vol. 32, 1979, p. 327-340.

The number of jobs requiring physical strength is generally declining, as a result of technological change, and most new jobs require mental rather than physical agility. As well, average life expectancies at birth are now almost 80 years for women and 73 for men and many people are able to maintain their abilities well past the age of 65.

The proportion of employees who wish to continue working beyond 65 varies with financial incentives, the adequacy of pension plans, anticipated inflation, the availability of part-time or contract work, the employment status of a spouse, and other financial considerations.(1) Managerial workers generally choose to retire at older ages than blue collar workers, especially those in jobs perceived as undesirable or those with periodic unemployment. Women often choose to retire at the same time as their husbands. Clearly, growing old and retiring is not the same experience for people in different social and economic circumstances or for men and women. Furthermore, the age of retirement certainly does not depend only on the attitudes of individuals, but also on the availability of retirement plans and the level of pension benefits.(2)

Yet even a small increase in the number of older workers may affect the hiring and advancement of new employees. The present surplus of labour could be alleviated by inducements to share jobs or to work part-time with prorated pay and benefits (including pension credits). Voluntary early retirement with full pension, graduated retirement, or cash retirement settlements might encourage some to leave before an older retirement age. Sabbaticals at partial pay, allowing the employer to hire a temporary replacement, would also make room for new employees, while tightening up performance requirements would demote less productive people and clear the way for younger employees to rise through the ranks. The danger in this last policy, however, is that employers might try to remove employees considered as "dead wood" before they were entitled to their pensions,

(1) Wilfred List, "Should Forced Retirement be Banned?" The Globe and Mail, May 27, 1985.

(2) McDonald and Wanner (1984).

rather than retain them at a lower salary. Very strict guidelines would have to be followed to keep such a strategy within humanitarian bounds.

B. Retirement Benefits and Pension Funds

Since the Canadian government introduced major improvements to income support programs in the 1960s and 1970s, and since more employer-sponsored pension plans were developed, elderly people have improved their economic status relative to that of other age groups. Indexed public pensions and high interest rates have also substantially improved the economic status of many elderly people, some of whom actually have higher incomes in retirement than when they were working. But in recent years with a less productive economy, high unemployment, few promotional possibilities, and an aging population, concern has been expressed over mandatory retirement and inadequate private pensions. While mandatory retirement may free jobs for younger people and relieve employers from making judgments about the competence of older workers, it forces the elderly who are fit and experienced in their jobs to reduce their standard of living drastically and to find new meaningful activity. If, on the other hand, there were no definite retirement age, employers might be less willing to keep on workers even slightly below the present age of retirement, if their performance was not entirely satisfactory. A fixed retirement age implies a degree of job security; it also provides stability in pension systems because the timing and number of retirements can be accurately predicted. Moreover, the age of retirement is also frequently used as the age for entitlement to social benefits such as income tax deductions, pensions, income supplements, subsidized medical services and drug plans, and reduced transit fares and entrance fees.

If mandatory retirement were abolished, on what basis would social benefits be distributed? Should people be receiving Old Age Security when they are still working or should they apply for this benefit upon retirement? If the retirement age were flexible, higher income workers might be more likely to continue working while lower income workers might prefer to retire at 65. This would stigmatize the act of retirement

and the receipt of the old age pension in the way that the receipt of welfare is now stigmatized.

In 1985, despite the potential benefits of early retirement programs for job creation, the Canadian government reduced Unemployment Insurance (UI) benefits for older workers leaving the labour force. These changes require workers to include their severance pay, vacation pay and pension money as income, and to exhaust these resources before they receive Unemployment Insurance benefits. While this change was part of general government restraint measures and reduced the cost of UI to the government, it could discourage some workers from seeking early retirement and has incurred negative reaction from those who generally retire young, such as military personnel and police officers.

Retirement policies are linked to pension arrangements and any move to abolish mandatory retirement might hasten pension reform. Many unions maintain that the solution to inadequate pension coverage and low incomes among the elderly is not to allow workers to remain in the labour force, but rather to raise pension benefits. Although some employees would prefer working to receiving a larger pension, most would accept retirement close to age 65. In the United States, the retirement age for most employees in the private sector was raised to 70 and abolished for most federal government employees in 1979, but the percentage of workers who stay at work beyond 65 is negligible.(1)

As more people reach the age of 65, concerns have been expressed about the actuarial base of public pensions and their ability to rise with the cost of living. Pension plans are based on the idea that each generation will be supported by the one that follows. This means that when the baby boom generation retires in the 2020s and 2030s, their pensions will come from the pockets of the smaller "baby bust" generation born in the 1970s and 1980s. It has been suggested that by the year 2021, the cost of public pensions could increase at least three and a half

(1) List (1985).

times.⁽¹⁾ But in the meantime, the working age population is increasing slightly and decision-makers should have time to bolster pension funds for the increase expected after 2020.

In a 1986 study for the International Monetary Fund of seven major industrial countries, projections from 1980 to 2025 indicate a significant increase in the ratio of government social expenditures to the Gross Domestic Product (GDP) in most countries except Canada. Sharp increases in these expenditures are predicted, especially for European countries and Japan, taking into account the aging population, the 1980 level of expenditures and certain assumptions about productivity. In Canada, social expenditures are expected to decrease relative to GDP until 2021 and then to increase moderately for the next 15 years. The ratio of public pension expenditures to GDP is actually predicted to decline until 2010 (because of the expanding working population) and then to rise by 40% from 2010 to 2025.⁽²⁾ Real pension expenditures are expected to have increased to over three times the 1980 level by 2025, but the GDP is also expected to have risen. In comparison with countries such as Japan and Italy, however, this anticipated increase in the cost of public pensions is relatively small.

The "crisis" in public pensions has definitely been aggrandized by the media; it could be averted by raising Canada Pension Plan contributions or taxes, by raising the retirement age, by assisting women to enter and stay in the labour force so that they would receive the Canada Pension Plan or an employer-sponsored pension, or by expanding the coverage and benefits of private pensions. As well, projections of the proportion of elderly people in the future can provide the basis for strategies for future social security expenses. Because these strategies depend on political decisions, though, they will involve considerable

(1) McDaniel (1986), p. 69.

(2) Peter S. Heller, Richard Hemming, Peter W. Kohnert et al., Aging and Social Expenditure in the Major Industrial Countries, 1980-2025, International Monetary Fund, Washington, D.C. September 1986, p. 4-6, 31.

consultation and negotiation, and will not be based only on statistical trends.

The public protest against the proposal to partially deindex the Old Age Security Pension payments in 1985 implied that support for continuing benefits to the elderly is strong. After all, if pensions were cut back, not only would the elderly suffer but many younger people would have to assist their aging parents financially as well as worry about their own economic future. Brought up to take old age pensions and other social security benefits for granted, many young people have virtually no savings, even when they earn above average incomes. The federal government, however, still faces difficult political decisions when dealing with the rising costs of Old Age Security and other social benefits for an aging population.

After the federal government had rescinded its decision to partially deindex Old Age Security Pension payments, changes to the Canada Pension Plan were quickly made. Concern about the future availability of pension funds for an increasing number of retirees led to a gradual increase in CPP contributions starting in June 1986, ranging from 3.6% of earnings at that time to 7.6% by 2011. This increase was also needed to offset the lack of contributions from parents who drop out of the labour force to care for preschool children. Through the increase, the financial future of contributory public pensions was reinforced and solidified. Additional changes to CPP in 1986 (effective January 1987) provide retirees with some flexibility in retirement age (from age 60 with a smaller monthly payment to age 70 with a larger payment). The continuation of a survivor's benefits after remarriage is also guaranteed.

Pension reform is particularly necessary for women. For one thing, pension plans usually exclude part-time workers and many more women than men work part-time. Not all employers offer pension plans. In fact, only 37.1% of all female paid employees (and only 54.4% of all male paid

employees) were covered by private pension plans in 1984.⁽¹⁾ Employees who do belong to such plans tend to be in the highly paid and organized workforces (where women are underrepresented) or in government employment. Pensions are seldom transferable from job to job and have usually required an employee to work at the same place for at least ten years before retaining the employer's contribution. If the employee leaves within this period, his or her own contributions are returned with interest computed at far below the prevailing bank rate. Since women tend to change jobs more often than men, retired women could easily have no employer-sponsored pension at all, or only a small one, and thus have to rely on Canada/Quebec Pension Plans. Yet in 1976, only 53% of women (and 94% of men) were contributing to CPP/QPP, reflecting women's labour force participation in that year.⁽²⁾ In 1986, 70% of women aged 25-54 years were working for pay (and 94% of men);⁽³⁾ this suggests that as women's labour force participation has been rising so will the pension benefits of future generations of elderly women.

Although better employer-sponsored pensions could be legislated, this would not solve the problem of the nearly half of Canadian women who work at home. The issue of pensions for housewives has been controversial because of the difficulty of agreeing on an assumed level of housewives' earnings, and of deciding who would make the contributions and which women should benefit. Since 1977, the Quebec Pension Plan has allowed parents of either sex to drop temporarily out of the labour force to care for their preschool children, and to have those low-earning years excluded from their employment record. The Canada Pension Plan included a similar provision in 1983. On the assumption that raising the next generation is an important social contribution to the nation, the pension

(1) Statistics Canada, Pension Plans in Canada, 1984, Cat. 74-401, Ottawa, August 1986, p. 13.

(2) Louise Dulude, Pension Reform with Women in Mind, Canadian Advisory Council on the Status of Women, Ottawa, March 1981, p. 10.

(3) Statistics Canada, January 1987, p. 84.

benefits for these years are paid for by the public purse. Long-term housewives, or those unable to find work are, however, still excluded from CPP/QPP.

In June 1978, it became possible to divide CPP/QPP credits between spouses who divorce. In the five-year period following this change in law, however, only 4% of former wives applied for and received this credit.⁽¹⁾ Though this may have been because the law was not well advertised, or because many women could not obtain the necessary information about their ex-husbands to proceed, it is probable that it was mostly because many divorcing women preferred an immediate cash settlement rather than a deferred (though larger) payment. Amendments to CPP in June 1986 now include an assumption that pension credits earned during a marriage will be divided upon divorce, unless the spouses state in writing that they waive this division.

Advocates of pension reform are still very concerned that many employees are not covered by employer-sponsored pensions, and that, even when available, these plans are often not indexed to the rising cost of living. Furthermore, many pensions are not portable from one place of work to another; those who change jobs frequently may never be able to acquire the necessary years of service to have the pension "vested." In fact many employers still require ten years of service and a minimum age of 45 before vesting. Since 1986, however, employers under federal jurisdiction must vest pensions after two years of service and with no age limit.

C. The Changing Sex Ratio Among the Elderly

In 1981, 57.2% of Canadian 65 years of age and older were female. In the same year, 67.2% of those 85 and over were female. This over-representation of women among the elderly has been particularly noticeable in recent years as the life expectancy of women has increased faster than that of men. From 1931 to 1984, the average life expectancy at birth for males increased by about 13 years but for females it increased by

(1) Canadian Advisory Council on the Status of Women, As Things Stand, Ten Years of Recommendations, Ottawa, 1983, p. 90.

nearly 18 years.⁽¹⁾ Declining rates of maternal death and increasing rates of male accidental deaths and deaths from stress-related diseases have increased the gap in the life expectancy of the two sexes. Whether or not this gap will continue to grow is a matter of controversy among researchers.⁽²⁾

The larger proportion of women among the elderly is particularly significant in discussions of their relative poverty. Women outlive men by nearly a decade. As most women also marry men from two to four years older than themselves, married women often outlive their husbands, upon whom many have been financially dependent. For example, only 14% of men over 65 were widowed in 1981 compared with 49% of women.⁽³⁾ If most of these women had been in the labour force for their entire adult lives, this would not be as economically damaging because their employer-sponsored pensions (if they had one) or Canada Pension Plan benefits would have augmented the Old Age Security. Most had not been in the labour force, however, and, even in 1986, while 69% of males aged 55-64 were working, only 33% of females of the same age were.⁽⁴⁾

Since many women now of retirement age spent their earlier lives caring for their homes and families, they had little money of their own to set aside for old age. Even when they worked for pay, they often worked part-time or temporarily in a series of low-paying jobs. Depending on the financial position of their family or husband, their retirement could be quite comfortable, but more often it is spent below the poverty line. Elderly women who are still married fare much better than those who

(1) Baker, forthcoming 1987.

(2) Daryl Simmons-Tropea and Richard Osborn, "Disease, Survival and Death: The Health Status of Canada's Elderly," in Victor W. Marshall, Aging in Canada. Social Perspectives, 2nd edition, Fitzhenry and Whiteside, Toronto, 1987, p. 399-423.

(3) National Council of Welfare (1984), p. 14.

(4) Statistics Canada, The Labour Force, December 1986, Cat. 71-001, Ottawa, January 1987, p. 84.

are unmarried or widowed. While only 13.6% of couples 70 and over were living below the 1981 poverty line, 65% of unattached females were doing so.(1)

This financial dependence on men, which has characterized women's lives, underlines the importance of state pensions, a state-run system of maintenance and child support collection, and equitable matrimonial property laws in all provinces.(2) Because they were not remunerated for housework, and because they are encouraged to place their family obligations before their paid work, many women have not been able to plan their own financial future. After assuming that their husband or family would look after them in their old age, some women have discovered that the breakdown of their marriage or the death of their husband has left them with little money.

Even those women who have worked for pay most of their lives are likely to have earned lower wages than men and consequently to be entitled to a lower pension. Prior to the mid-1970s, retirement ages for women were often five years lower than men's. While this may have coincided with some women's wish to retire at the same time as their (older) husband, it served to decrease women's retirement benefits because they had fewer contributing years in the plan. Considering the longer life expectancy of most women, they could be living 20 years after retirement on a reduced pension not indexed to the rising cost of living. Women who worked part-time (about 26% of female workers) or who changed jobs frequently, may have no pension at all. Of course, this would also be true of a man in similar circumstances, but most men experience more job stability than women and only about 8% work part-time.

The financial dependence of elderly women is reinforced by the fact that they tend to have less formal education than their male counterparts. While this often translates into lower wages, it sometimes means less confidence in their own independent judgment as well. Older women have been socialized into greater acceptance of dependence, and may

(1) National Council of Welfare (1984), Table 14, p. 26.

(2) Louise Dulude, Women and Aging: A Report on the Rest of Our Lives, Canadian Advisory Council on the Status of Women, April 1978.

have been discouraged from taking the initiative in their work, their relationships, and in planning for the future. The negative stereotypes of "old women"⁽¹⁾ reinforce dependency and poverty; it requires unusual personal assertiveness for a woman to overcome these social expectations.

We can see that a major reason for the poverty of people over 65 is the fact that more than one half are women. When men's and women's incomes are averaged, women's situation reduces the income figures for both sexes. Much of the variation in the economic status of elderly men and women reflects their diverse employment histories and access to occupational benefits as working-age persons.

Women working for pay as well as those working at home need improved pension benefits (as do men in similar circumstances). Now that the Canada Pension Plan includes a "drop-out" clause for parents caring for their young children, fewer women will have reduced pensions in the future. But if wives without young children continue to stay out of the workforce to provide domestic labour, the beneficiaries of this labour (usually husbands), rather than the state should pay the contribution.

Legislation was passed in June 1986 to encourage more employers to set up pension plans for their employees, to include part-time workers in pension plans, to reduce the waiting period before the funds are "vested" or irrevocable to two years, and to make pensions more portable so that employees who change jobs can continue their contributions uninterrupted. Many of these changes will particularly benefit women workers, who, because of frequent job changes or part-time work, less often than men belong to pension plans. This legislation (Bill C-90) covers only employers under federal jurisdiction, but comparable provincial legislation is expected in several provinces in the near future.

Over 70% of women aged 25-54 years are now in the labour force,⁽²⁾ and they should experience more financial security from CPP/QPP

(1) Ibid., p. 34, 35.

(2) Statistics Canada, January 1987, p. 84.

and possibly employer-sponsored pensions when they retire. Since pension contributions are usually a percentage of income, however, working women will not receive pensions equal to men's until they receive equal pay. In other words, reducing the number of the elderly poor of the future can be partly addressed through equal pay for work of equal value.

Divorce can seriously jeopardize the financial situation of the homemaker wife. Some provinces include provisions for matrimonial property to be divided equally if a divorce should occur. In many cases, however, the property and savings of divorcing couples is not substantial enough to make much difference. Yet if pensions for housewives were developed, and pension credits were pooled and split, divorced women would fare much better on retirement and the pensions of their ex-husbands would not be as dramatically reduced as is now the case.

D. Facilities for the Elderly

Since the elderly proportion of the population has increased at a time of recession and government cutbacks, attempts are being made to keep new expenditures to a minimum when planning facilities for them. In the area of health care, for example, major reforms are required to accommodate the rising numbers of elderly people, some of whom will need chronic care. New styles of housing will also be needed and consumers will demand a variety of products different from those now available.

1. Health Facilities

Researchers are still arguing about whether the rise in life expectancy will be accompanied by improved health or whether we will also see an increase in disability among the growing numbers of elderly people. While medical technology can prolong life, some argue that there has been no comparable improvement in health in the later years. In fact, new diseases related to pollution or lifestyle now disable elderly people. Other researchers, however, point to the recent "revolution" in diet, increased emphasis on exercise and improvements in living standards as indicators that the future elderly will probably be healthier and require less medical care and hospitalization. In the gerontological literature,

this has been called the "compression of morbidity thesis" because it predicts that illness and disability will be compressed into a shorter period of time in the future. This thesis cannot really be tested, however, until the post-war generation begins to reach old age.

Some critics argue that we need to reform the health care system to place greater emphasis on preventative health, chronic care and home care rather than curative medicine in a hospital setting.⁽¹⁾ At present, general hospitals are being used to accommodate chronic care patients, at a high cost to the taxpayer, because of the shortage of chronic care facilities and home care services. At the same time, family members and nursing home workers argue that the quality and the regulation of private nursing homes must be improved. Nursing home owners say that this cannot be done, however, without more funding from provincial governments. Doctors and hospital administrators also advocate increased funding as a solution to future health needs, while nurses and community health care workers recommend reforming the system.

According to much of the literature, there seems to be more institutionalization of the elderly in Canada than in many European countries with higher proportions of people 65 and over (such as Great Britain), although, even so, only 9% of elderly Canadians lived in nursing homes or other institutions in 1986.⁽²⁾ The trend toward home care, involving family members as well as paramedicals, rather than institutionalization, is evident in both Sweden and Great Britain. Unfortunately, the concept of "home care" is often used as a euphemism for care by women -- wives and sisters.⁽³⁾ Since the organization of volunteer agencies and churches in Canada, women have provided most of the services to the elderly (e.g., meals on wheels and home visiting services). The expectation that women will care for sick family members, rather than concentrate on

(1) Neena L. Chappell, Laurel A. Strain and Audrey A. Blandford, Aging and Health Care: A Social Perspective, Holt Rinehart and Winston, Toronto, 1986.

(2) Statistics Canada, 9 July 1987, p. 5.

(3) Chappell (1982), p. 215.

careers, is one which has implicitly led them to a financially insecure old age, unless they inherited money. The trend toward government-sponsored services and institutionalization took some of the burden of caring for the elderly away from female family members and volunteers, but now policies may be reverting at a time when women are entering the paid labour force and cannot afford the time or the lost income to undertake volunteer work.

"Home care" should not be a euphemism for using unpaid female relatives to care for the elderly. Family members could be given a financial incentive similar to the "baby bonus" or paid a wage to care for the bedridden elderly at home, rather than institutionalizing them. Visiting nurses, home-makers, and day hospitals could also be supplied at much less cost than physicians and hospitals. Major reforms in health services appear to be essential because of rising Medicare costs. The International Monetary Fund study (1986) found that the ratio of Canadian expenditures on medical care will rise steadily in proportion to the GDP from 1980 to 2025.(1)

2. Housing

In the last 20 years, there has been an increase in the proportion of elderly widows living alone. One reason is that, while rising life expectancies for women have meant that more women outlive their husbands, the construction of more rental apartments and the trend toward greater financial and psychological independence for the elderly has discouraged widows from living with their children.

A controversy continues about whether the elderly should be integrated within the larger community or segregated in separate buildings. Contrary to earlier speculation, recent studies are finding that the elderly usually prefer to maintain contact with their children, but to live with other elderly people. Living with or even "too near"

(1) Heller et al. (1986), p. 4.

their children often makes them feel too dependent and incapacitated.⁽¹⁾ Those who live in the same building as other seniors often have more friends, are more independent and participate in more group activities than those who live in the larger community or with their children.

The problem of whether to build self-contained apartments or hostel accommodation (with laundry, meals and other services) is often resolved by providing small self-contained apartments with the option of using communal facilities for dining, laundry and socializing. Even so, many elderly who move to special housing would not do so if they had inexpensive assistance in housekeeping and home maintenance. Rather than forcing older people to move to senior citizen apartments to obtain this assistance, it might be cheaper for government and seniors if visiting homemakers were provided, special grants were available to make houses more convenient and accessible for the elderly and income subsidization were updated.

Senior citizen housing should meet the desire of many elderly to live apart from their children or other relatives but in housing serving their physical, medical, social and financial needs. Senior citizen apartments, where residents had the option of functioning independently or of using communal facilities, could be developed simultaneously with financial and social assistance to help the elderly stay in their own homes. This would maximize the choice of lifestyle for older people.

3. Consumer Trends

For both sexes in North America, growing old has generally been viewed in a negative light. This is especially true for women, who are taught, and who encourage each other, to lie about their age and to disguise the physical aging process with hair dyes, foundation garments and skin creams. While attitudes to the physical aging process may change as the population ages, the business community will undoubtedly view middle aged and elderly people as a growing market. This is already beginning to happen as new beauty products are created to counteract aging and clothing

(1) Canadian Council on Social Development, Beyond Shelter, Ottawa, 1973.

stores which previously catered to teenagers are now offering more expensive and better quality clothes for older customers who have higher incomes. Some travel agents and tourist facilities are specializing in holidays for seniors and private organizations are establishing home care services for disabled elderly people. Retirement housing is also being developed by entrepreneurs and cooperatives.

As the average age of the population rises, our conceptions of the elderly will inevitably change. Many of the myths and stereotypes about what older people can and want to do will be shattered as the elderly gain political clout. By the time the baby boom cohort reaches retirement age, policies more favourable to their interests may have been initiated. Older people will likely appear more frequently and more positively in the media. As more women become involved in politics and the labour force, they may be portrayed more accurately with less focus on youthful appearance. Patterns of consumption may change, with markets catering more to the needs of middle-aged and older people.

CONCLUSION

Public concern about the aging population is not new in Canada. During the 1930s, when birth rates fell rapidly, demographers and policymakers became concerned about the implications of population aging. But after World War II, when birthrates rose again, the practical problems of dealing with so many children became a more important policy issue. Although many industrialized countries are now expanding services and facilities for the elderly, the dramatic increase in the proportion of elderly is not a permanent trend but is largely the result of the post-war baby boom. Assuming the birth rate remains low, the baby boom generation will have reached the end of its lifespan by 2031 and the age distribution will gradually become more evenly distributed after that date. In the meantime, however, governments must provide services and facilities and plan to expand social security payments for a growing elderly population.

Tomorrow's elderly may not follow the same trends or experience all the problems of today's elderly, and policymakers should be

wary of relying on predictions based solely on demographic projections without also considering social and economic variables. For example, stages in the life cycle are less distinct than they were even 30 years ago. Rather than keeping to the pattern of finishing school, working, marrying, raising children, seeing the children leave home, and retiring, more people will marry and remarry and perhaps start a second family. They may return to school at an older age, and change careers or jobs several times. Planning for the future must take into consideration changing trends in education, family formation, labour force participation, and ideology, as well as demography.

While today's elderly tend to have lower levels of formal education than younger people, the future elderly will undoubtedly be better-educated, more articulate about their needs, and less trusting of those in authority. Today's elderly women have seldom worked for pay long enough to obtain a pension and have often seen their major life's work financially unrecognized. Elderly women in the future are likely to be more financially secure because of their better education and employment history, and consequently less dependent on government assistance. While today's elderly were brought up during the depression of the 1930s, with few social benefits, the elderly of the future will have been raised to expect more from the state.

Concern about population aging and "demographic stagnation" has been with us since the 1930s, but only recently has it become so pronounced. Policies to deal with its implications will be discussed and negotiated by different levels of government, seniors' groups, private organizations and community groups before any decisions are made. But these discussions will be influenced by value judgments about who will benefit or be disadvantaged by the aging population.

Some authors have suggested that the presence of an aging population in Canada will encourage intergenerational conflict between the young, who are competing for jobs and resources, and the older citizens, who are holding on to their jobs. Ultimately, however, the young and middle-aged have a self-interest in improving pensions and benefits for the elderly. If pensions are inadequate, the elderly will stay in the labour

force and block mobility channels for the young. The real conflict will more likely break out between groups which have catered to the needs of or benefited from a youthful population and those whose interests lie with the elderly.(1) Many of our social organizations such as schools and hospitals have been organized by and for a youthful population and changing them may well create more conflict than we will see between the generations. For example, the schools and universities, which based their funding policies on large numbers of students, will fight to change the funding formulae when these are no longer to their advantage. Improved conditions for the elderly will eventually benefit all individuals in the community but not all organizations.

(1) Myles (1982), p. 37.

REFERENCES

- Baker, Maureen, "The Status of the Elderly," Background Paper 164E, Research Branch, Library of Parliament, March 1987.
- Baker, Maureen, Aging in Canadian Society, McGraw-Hill Ryerson, Toronto, forthcoming, 1987.
- Canadian Advisory Council on the Status of Women, As Things Stand, Ten Years of Recommendations, Ottawa, 1983.
- Canadian Council on Social Development, Beyond Shelter, Ottawa, 1973.
- Chappell, Neena L., "The Future Impact of the Changing Status of Women," in Gloria Gutman, Canada's Changing Age Structure, Implications for the Future, Simon Fraser University Publications, Burnaby, B.C., 1982.
- Chappell, Neena L.; Laurel A. Strain; and Audrey A. Blandford, Aging and Health Care, a Social Perspective, Holt, Rinehart and Winston, Toronto, 1986.
- Dulude, Louise, Pension Reform with Women in Mind, Canadian Advisory Council on the Status of Women, Ottawa, March 1981.
- Dulude, Louise, Women and Aging: a Report on the Rest of Our Lives, Canadian Advisory Council on the Status of Women, Ottawa, April 1978.
- Gutman, Gloria M. (ed.), Canada's Changing Age Structure, Implications for the Future, Simon Fraser University Publications, Burnaby, B.C., 1982.
- Heller, Peter S., Richard Hemming, Peter W. Kohnert et al., Aging and Social Expenditure in the Major Industrial Countries, 1980-2025, International Monetary Fund, Washington, D.C. September 1986.
- Hodge, G.D. and M.A. Qadeer, Towns and Villages in Canada: The Importance of Being Unimportant, Butterworths, Toronto, 1983.
- Kalbach, W. and W. McVey, The Demographic Basis of Canadian Society, 2nd ed., McGraw-Hill Ryerson, Toronto, 1979.
- List, Wilfred, "Should Forced Retirement be Banned?" The Globe and Mail, 27 May 1985.
- Marshall, Victor. W., Aging in Canada, Social Perspectives. 2nd ed., Fitzhenry and Whiteside, Toronto, 1987.
- McDonald, P. Lynn, and Richard A. Wanner, "Socioeconomic Determinants of Early Retirement in Canada," Canadian Journal on Aging, Vol. 3, No. 3, 1984, p. 105-116.

- McDaniel, Susan A., Canada's Aging Population, Butterworths, Toronto, 1986.
- Messinger, Hans and Brian J. Powell, "The Implications of Canada's Aging Society on Social Expenditures", in Marshall (1987).
- Myles, John F., "Social Implications of Canada's Changing Age Structure," in Gutman (1982).
- Myles, John F., Old Age in the Welfare State, The Political Economy of Public Pensions, Little, Brown and Company, Toronto, 1984.
- National Council of Welfare, Sixty-Five and Older. A report by NCW on the Income of the Aged, Ottawa, 1984.
- Schmitt, Neal et al., "Comparison of Early Retirees and Non-Retirees," Personnel Psychology, Vol. 32, 1979, p. 327-340.
- Simmons-Tropea, Daryl and Richard Osborn, "Disease, Survival and Death: The Health Status of Canada's Elderly," in Marshall (1987) p. 399-423.
- Statistics Canada, Births and Deaths, Cat. 84-204, Ottawa, November 1986.
- Statistics Canada, "The Daily," Cat. 11-001, Ottawa, 9 July 1987.
- Statistics Canada, Education in Canada 1985, Cat. 81-229, Ottawa, December 1986.
- Statistics Canada, The Labour Force, December 1986, Cat. 71-001, Ottawa, January 1987.
- Statistics Canada, Pension Plans in Canada 1984, Cat. 74-401, Ottawa, August 1986.
- Statistics Canada, Population Projections for Canada, Provinces and Territories, 1984-2006, Cat. 91-520, May 1985.



ACCO®

ACCOPRESS™



YELLOW	25070	JAUNE
BLACK	25071	NOIR
BLUE	25072	BLEU
RL. BLUE	25073	RL. BLEU
GREY	25074	GRIS
GREEN	25075	VERT
RUST	25078	ROUILLE
EX RED	25079	ROUGE

ACCO CANADA INC.
WILLOWDALE, ONTARIO

• INDICATES
75% RECYCLED
25% POST-
CONSUMER FIBRE



*SIGNIFIE 75 %
FIBRES RECYCLÉES,
25 % DÉCHETS DE
CONSOMMATION

BALANCE OF PRODUCTS
25% RECYCLED

AUTRES PRODUITS:
25 % FIBRES RECYCLÉES

